

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6780

BILL NUMBER: HB 1227

DATE PREPARED: Dec 18, 2000

BILL AMENDED:

SUBJECT: Salary Matrix for Excise Police Officers.

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the salary matrix for excise police officers must have parity with the salary matrices prescribed for conservation officers of the Department of Natural Resources. The bill provides that the matrix shall be funded from the state General Fund.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The parity provision of this bill will increase the personnel costs of the Alcoholic Beverage Commission (ABC) by \$194,851 in FY 2004 and \$189,241 in FY 2005. These estimates include the salary increases necessary for the excise police to achieve pay parity with conservation officers and the subsequent increase in fringe and retirement benefit costs. Fifty-five officers would be affected by this proposal. The average yearly salary of the officers would increase by approximately \$2,800.

**Projected Costs Associated with Providing Salary Parity to
Excise Officers**

	FY2004	FY2005
Current Salary Matrix	\$2,795,145	\$2,840,273
Proposed Salary Matrix	\$2,989,996	\$3,029,514
Total Increase	\$194,851	\$189,241

Note: Costs include salary, fringe benefits, and retirement benefits.

The above estimates are based on the assumption that the officer salary level corresponds with the number of years of service. Years of service are based on the officer's anniversary from the date of hire. The cost

estimates are also based on the assumption that all current officers will continue their employment through the respective fiscal years.

Costs associated with fringe and retirement benefits are based on 19.56% and 7.8% of the officer's salary, respectively.

This bill does not make an appropriation. The funds necessary for this proposal will come from appropriations made by the General Assembly to the State General Fund.

Explanation of State Revenues: Officers' additional income would be subject to the state income tax at the rate of 3.4%. Based on the estimated increase in salaries, the state would collect an additional \$5,200 in income taxes in FY 2004 and an additional \$5,050 in income taxes in FY 2005. Similarly, if half of the additional income is used to purchase taxable items, the state would collect an additional \$4,870 in sales taxes in FY 2004 and \$3,715 in additional sales taxes in FY 2005.

Explanation of Local Expenditures:

Explanation of Local Revenues: Counties with a local option income tax may experience a minimal increase in income tax revenue.

State Agencies Affected: Alcoholic Beverage Commission; State Budget Agency.

Local Agencies Affected:

Information Sources: State Personnel Tables; Alcoholic Beverage Commission; Department of Natural Resources